

Amendment No. 1 to HB0262

**Hargrove
Signature of Sponsor**

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMEND Senate Bill No. 389

House Bill No. 262*

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, Part 1, is amended by adding the following language as a new appropriately designated section:

Section 56-7-126.

(a) A pharmacy benefits manager shall notify a pharmacist who furnishes goods or services under any policy or contract for health insurance coverage provided under the TennCare program of the failure of any health insurer to provide timely payments for nondisputed claims pursuant to contract within fourteen (14) days of the failure of the health insurer to fund a scheduled payment.

(b) Failure by a pharmacy benefits manager to provide notice as described herein shall be cause for the commissioner of the Tennessee department of commerce and insurance to impose the appropriate penalties allowed in Title 56 of the Tennessee Code Annotated.

(c) For the purposes of this section, "Pharmacy benefits manager" means a person, business or other entity and any wholly or partially owned subsidiary of such entity, that administers the prescription drug or device portion of plans providing health insurance coverage on behalf of a third party including plan sponsors, insurance companies, unions, and health maintenance organizations.

SECTION 2. This act shall take effect July 1, 2003, the public welfare requiring it and shall apply to claims for goods and services arising on and after that date.